April 30, 1991

To: Charles Cagnon for Point Foundation ACT Members
Fr: Keith Jordan (for Kelly Teevan)
Re: ACT/Point Foundation Project -- Step One

When combining Point/Whole Earth's needs with the evident skills among the ACT members, it seems that two different paths might make sense, one focusing on Sales and Marketing, the other focusing on Organizational Change. Below, possible approaches to the two paths are outlined for you to consider. Also attached are (1) an organization chart for Point and (2) a summary financial report for Point for 1988-90 (be sure to see the advisory note at bottom of that report).

Path One: Sales and Marketing

At present, Whole Earth does sales, but we do not do marketing. We can use help with both. Are they two different paths or one, with some inherent order?

For sales we need help in selling Whole Earth Review (WER). Marketing seems to start with the questions of: "Whom do we want reach?" and "Whom are we now reaching?" and then widens to consider appropriate programs for not only sales, but also for related functions like promotion and PR.

For this area, investigation should probably start with Keith Jordan (Business Manager). Keith can explain where the organization is currently at: strengths and weaknesses as he perceives them, current status of Circulation staffing, capabilities in Circulation and Fulfillment Departments.

Once a team working on this area has an overview, Keith can then direct them to the other logical people for them to speak with. Obvious people would be Peter Klehm (Circulation Director), Howard Rheingold (WER Editor), Christine Goodson (Accountant).

Path Two: Organizational Change

This Path is about helping to implement change in a 60s organization growing up. It is typified by the questions: "What trade-offs are we willing to make to survive? To thrive? To earn more"

Also important is figuring out how to most smoothly implement changes -- besides trade-offs for the organization there are trade-offs for the individuals: more security, less flexibility; more pay, less stress; etc.

Again, start with Keith Jordan, then talk with Jonathan Evelegh (Managing Editor). They should be able to provide overview from the business and editorial/production "sides." Next, talk with Richard Nilsen (WER Assistant Editor) and Kathleen O'Neill (Art Director). Both are long-timers who are committed to the organization and will face changes. At some point you will

also need to speak with Chris Goodson regarding our current personnel policies. You may also wish to speak to one or more of our Board Members.Kelly, Keith and Jonathan will be primarily responsible for implementing whatever changes are decided upon

Among the questions which should be considered:

- What are our goals for the next 3-5 years for compensation, work style, etc.
- How do we compare to other magazine publishers? To other non-profits?
- What is the staff getting for what it is giving up?

(The following organizational chart represents our core staff, which is essentially just the magazine. If we add other projects, such as a book, some of the work would be done by these individuals, some by additional staff hired for the term of the project.)

Rough Organizational Chart for Point Foundation
(does not include separate WELL operation, 50% owned by Point)

Board of Directors (a hands-off board)

Executive Director: Kelly Teevan

- Accountant: Chris Goodson
- Office Manager: Su Rosberg

- Business Manager: Keith Jordan *
  (WER, books and other projects)

  Circulation Director: Peter Klehm
  Fulfillment Manager: Kurt Grubaugh
  Data Entry: Jason Mongue **

- Managing Editor: Jonathan Evelegh *
  (effective 6/1, is currently Production Manager)

  Art Director: Kathleen O'Neill ***
  Typesetter/Copy Editor: James Donnelly ***
  Camera/Paste-up/Design: Donald Ryan ***
  Proofreader: Hank Roberts **, ***
  Librarian/Indexer: David Burnor ***

- Editor, Whole Earth Review: Howard Rheingold

  Assistant Editor: Richard Nilsen *, ***
  Editorial Assistant: Sarah Satterlee
  Contributing Editor: J. Baldwin **, ***
  Editor, Chronicle Column: Richard Kadrey

Notes:
• = reports to Executive Director
* = at or near full time position
** = 1/4 time or less
*** = employed by Point for 7 or more years

Point Foundation Financial Statement 1988-90

	1988	1989	1990
SUMMARY P & L			
OPERATIONS			
Before Overhead Allocation			
WER Net (1)	-14,047	84,967	188,592
Book sales (net)	12,109	7,118	11,869
Book, CD-ROM (net)	84,716	23,813	61,828
Chronicle column (net)	5,648	7,069	3,644
Miscellaneous income	4,266	5,656	7,045
Interest income	4,332	3,899	5,893
Net before G & A	97,026	132,521	278,871
G & A (2)	-176,755	-179,990	-199,115
POINT NET FROM OPERATIONS	-79,730	-47,468	79,756
WHOLE EARTH INSTITUTE (net) (3)	0	8	36,534
(1) Detail on Whole Earth Review			
Subscription income	372,997	454,287	491,929
Change in Subscription Liability	-96,972	-87,819	-95,214
Newsstand--national	56,685	59,227	87,993
Newsstand--local	67,998	80,700	89,771
WER Unclassifieds	4,494	4,928	7,991
WER mailing list rental	17,877	19,273	24,851
Donations	12,736	29,252	22,402
Back issue sales	3,541	7,917	13,492
Total sales	439,356	567,766	643,216
Newsstand exp	-16,449	-17,488	-19,675
Credit card exp	-1,692	-2,965	-3,795
Payroll	-194,848	-203,086	-184,476
Printing and pre-press exp	-108,312	-114,269	-112,912
Circulation, promotion & renewal exp	-49,687	-52,764	-54,010
Fulfillment exp	-36,137	-36,238	-29,800
Writers, contributors, misc. edit. exp	-35,674	-46,327	-37,958
Production exp	-7,879	-7,109	-8,834
Mailing list rental exp	-2,725	-2,554	-3,164
Total expenses	-453,403	-482,799	-454,624
WER net	-14,047	84,967	188,592

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	1988	1989	1990
(2) Detail on General & Administrative Expenses			
G & A payroll (3+ people & staff mtg time)	-45,519	-50,793	-83,833
Payroll-related costs	-41,481	-43,809	-43,391
Rent	-38,755	-40,447	-41,755
Equipment & supplies	-12,669	-11,418	-14,859
Postage, telephone & FAX	-19,821	-16,491	-15,360
Utilities	-5,218	-3,978	-3,251
Taxes & insurance (non-payroll related)	-3,863	-4,226	-5,294
Bank, miscellaneous expenses	-9,431	-8,831	-8,884
Total G & A expenses	-176,755	-179,993	-216,626
G & A billed to projects	0	3	17,510
G & A net expense	-176,755	-179,990	-199,115
(3) Detail on Whole Earth Institute			
Donations to WEI	0	15,727	50,267
Fund raising payroll	0	-10,912	-14,000
Fund raising expenses	0	-4,807	-3,570
Cyberthon revenues	0	0	96,865
Cyberthon expenses	0	0	-89,286
Marin Comm Fdn (MCF) grant	0	0	0
MCF grant library project expenses	0	0	-3,657
WEI Misc. (net)	0	0	-85
WEI net	0	8	36,534
Summary for all of Point Foundation			
Total revenues	896,384	788,992	1,045,788
Total expenses	934,759	751,460	936,345
Net (pure cash basis)	-38,375	37,531	109,443
Change in subscription liability	-96,972	-87,819	-95,214
Net (modified cash basis)	-135,347	-50,288	14,229

Note: This Statement is for purposes of general comparison. It may not agree in all details with final adjusted statements prepared by Point's accountant, as we are in a long-term process of redefining how we prepare our financial reports.

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